

<b>Case Reference</b>	R/E/I/035
<b>Title</b>	Globe Telecom's Advertisement "Best IDD & Voice Quality in Singapore" on 12 November 2003.
<b>Case Opened</b>	28 February 2004
<b>Case Closed</b>	30 March 2004
<b>Complainant</b>	Singapore Telecommunications Limited ("SingTel")
<b>Respondent</b>	Globe Telecom Pte Ltd ("Globe Telecom")
<b>Case Summary</b>	<p>SingTel submitted that Globe Telecom had breached Section 7.4.1 of the Telecom Competition Code ("Code") in its advertisements "Best IDD Rate &amp; Voice Quality in Singapore" on 12 November 2003 as follows:</p> <ul style="list-style-type: none"> <li>(a) Globe Telecom had misrepresented SingTel's IDD and V019 rates to Hong Kong.</li> <li>(b) Globe Telecom's advertisement claimed that Globe Telecom provides the "Best IDD Rate and Voice Quality in Singapore" without providing any factual basis to support its claim.</li> </ul>
<b>IDA's Determination</b>	<p>IDA determined that Globe Telecom's advertisement dated 12 November 2003 misrepresented SingTel's IDD 001 rate to Hong Kong as the advertisement incorrectly listed SingTel's IDD 001 rate to Hong Kong as \$0.70/min when it was in fact \$0.60/min at the relevant time. Although Globe Telecom explained that it had asked its agent to check the rates before sending out the advertisement, this does not excuse Globe Telecom as it remains primarily responsible for ensuring the accuracy of its advertisements.</p> <p>In respect of SingTel's complaint that Globe Telecom had inaccurately reflected SingTel's V019 rate to Hong Kong as \$0.31 per minute when SingTel had in fact lowered its V019 rate to Hong Kong to a <u>promotional rate</u> of \$0.16 per minute with effect from 11 October 2003, IDA assessed that it was reasonable for Globe Telecom to reflect SingTel's standard rates, especially if the</p>

standard rates continue to be published on SingTel's website during the relevant period.

In view of the above, IDA assessed that Globe Telecom's advertisement did not misrepresent SingTel's V019 rate to Hong Kong.

In respect of Globe Telecom's explanation that it offered the "Best Voice Quality in Singapore" on the basis that its voice quality was of the same quality as that of SingTel, IDA rejected Globe Telecom's explanation as comparative words such as "best" may only be used for such specific claims where the party is able to demonstrate for a fact that it is the only one offering the asserted "best" quality and Globe Telecom had failed to demonstrate this.

In respect of Globe Telecom's explanation that it offered the "Best IDD rates in Singapore" on the basis that its rates were lower than SingTel's IDD and 019 rates, IDA rejected Globe Telecom's explanation as it failed to account for fact that there were other IDD operators in the market aside from SingTel who offered lower rates.

IDA concluded that Globe Telecom had breached Section 7.4.1 of the Code as Globe Telecom had misrepresented SingTel's IDD rate to Hong Kong and had not provided any reasonable justifications for claiming that it offered "Best IDD & Voice Quality". IDA determined that Globe Telecom's advertisement on 12 November 2003 was likely to confuse and mislead End Users and had the effect of restricting competition in the IDD market. IDA took into consideration the mitigating factor that Globe Telecom had taken prompt action to cease the advertisement upon becoming aware of the inaccuracy in its published SingTel rates. Globe Telecom was ordered to cease and desist the advertisement and IDA imposed a financial penalty of S\$2,000 on Globe Telecom in view that this is Globe Telecom's second breach of Section 7.4.1 of the Code.